

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: LOCAL ACCESS LLC	DOCKET NO. TCU-2016-0007
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ORDER DENYING APPLICATION WITHOUT PREJUDICE TO REILING

(Issued October 27, 2016)

On August 1, 2016, Local Access LLC (Local Access) filed with the Utilities Board (Board) an application for a certificate of public convenience and necessity (CPCN) pursuant to Iowa Code § 476.29 stating its intention to provide competitive retail local exchange service in Iowa. The application was identified as Docket No. TCU-2016-0007.

Based on its review of the application, the Board's staff identified questions about whether Local Access had provided sufficient information to support a finding that Local Access possesses the technical, financial, and managerial ability to provide the proposed service as required by Iowa Code § 476.29(2). In mid-August, Board staff contacted counsel for Local Access by telephone and identified concerns about the application relating to the company's technical capabilities, including the following: while the company stated it provides wholesale telecommunications and access service to other telecommunications providers in other jurisdictions, no information was provided about whether the company has experience in providing local exchange service; the application did not address what services are to be

offered to Iowa retail customers or how the company intends to provide service; and the company did not describe the type of facilities it intends to use.

Board staff also identified several concerns about the company's financial ability to provide the proposed service, including the following: in the financial records the company provided with its application, there were no forecasts showing that the company would reach profitability; the financial data provided for 2015 was abbreviated and showed only one asset and one equity account; the financial records did not include any accounts showing the facilities owned by the company; and the profit and loss statement for 2015 conflicted with the cash flow statement for that year. Counsel for the company indicated that additional information would be forthcoming.

When no response to staff's questions was provided, staff contacted the company by E-mail on September 9, 2016, to reiterate the concerns about the application. Staff also left a voice mail message with the company at the end of September.

To date, Local Access has not responded to staff's inquiries and has not filed any supplemental materials with the Board. The Board will deny Local Access's application, without prejudice to refiling. If the company files a new application for a CPCN, it must address the concerns identified in staff's discussions with the company as summarized in this order.

IT IS THEREFORE ORDERED:

The application for a certificate of public convenience and necessity filed by Local Access LLC on August 1, 2016, identified as Docket No. TCU-2016-0007, is denied, without prejudice to refiling, as discussed in this order.

UTILITIES BOARD

/s/ Geri D. Huser

/s/ Elizabeth S. Jacobs

ATTEST:

/s/ Trisha M. Quijano
Executive Secretary, Designee

/s/ Nick Wagner

Dated at Des Moines, Iowa, this 27th day of October 2016.